

**TOOL**

Affordable Housing Need Profiles by LGA

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Understanding relative **affordable housing need in different areas** is important for promoting affordable housing to local authorities and communities, and determining priorities for development where there are choices to be made in the distribution of scarce resources.

This Tool provides data tables and maps for the 152 NSW LGAs (as they were at the time of the 2011 Census) to assist in understanding relative affordable housing need.

A number of **separate and combined indicators** have been provided in Tables and Maps. These can be used for the purpose of strategic planning and strategic site selection.

In terms of priority areas for the provision of affordable housing tend to be greatest for LGAs in Sydney, running in a band from Randwick and Waverley in the east to Fairfield and Liverpool and Fairfield in the west. In fact, 18 of the top 30 LGAs in NSW (the upper most quintile) in terms of affordable housing need are located in this band.

The Central Coast (Gosford and Wyong LGAs) and Newcastle LGA also have a high need for affordable housing, as does Wollongong LGA. The remaining 8 of the top 30 LGAs in terms of affordable housing need are located on the north and far north coast, specifically Great Lakes and Port Macquarie-Hastings; Coffs Harbour and Clarence Valley; and Tweed, Byron, Ballina and Lismore.

The reasons for LGAs ranking high on the list vary. For example, for the LGAs of Sydney, Randwick, Waverley and Ryde the key factors tend to be around absolute rental cost and level of rental stress among low and very low income private renters. On the other hand, areas like Canterbury, Fairfield, Ashfield and Parramatta, as well as Wyong, Newcastle and Wollongong, tend to rank higher on the number and concentration of low and very low income private renters and rental stress for this household type.

Other Sydney LGAs such as Rockdale, Burwood, Strathfield and Bankstown rank higher in terms of rental stress for low and very low income private renters as well as the cost of rental relative to household income. Regional areas such as Tweed, Byron, Ballina and Coffs Harbour tend to rank higher in terms of number and concentration of low and very low income private renters and rental cost relative to local incomes.

Our analysis shows that, while the majority of LGAs in need of affordable housing are located within Sydney, the issue of affordable housing is clearly not just confined to the Metropolitan Area. As noted, the reasons for affordable housing need vary, both within Sydney and between Metropolitan and Regional NSW. For most areas in the top 30 the need for affordable housing has **less to do with absolute rental cost** (only 7 of the top 30 are mainly influenced by this factor) and more to do with the number and concentration of lower income private renters, rental stress among this group and rental cost relative to local incomes.

**INDIVIDUAL INDICATORS** that are useful for planning and advocacy purposes are also provided. These are:

* **INDICATOR 1:** Relative rental cost for different housing products ranked by LGA, which shows the relative expense of the housing market;
* **INDICATOR 2:** Very low and low income private renters:
  + Number, % and average of the two ranked by LGA;
  + Broken down by smaller and family households to indicate priority households; and
  + A Ratio of Indicator 1 and Indictor 2, ranked by LGA to show areas of greatest need by this measure;
* **INDICATOR 3:** Housing (Rental) Stress Index (combines indicators on total housing stress, housing stress as a % of all households, and housing stress as a % of the target group) – these indicators are also provided separately, and for each of the target groups (very low, low and moderate income renters), and can be used depending on the priority for a given area or CHP;
* **INDICATOR 4:** Diversity of supply relative to need:
  + Indicator 4a: Number of Smaller Households per Smaller Dwelling
  + Indicator 4b: Number of Larger Dwellings per Larger Household
* **INDICATOR 5:** Median Rent divided by Median Household Income as a further measure of relative affordability ranked by LGA.